Convinced her product was a winner, Linda Froehlich set about getting her patented invention onto store shelves—only to find them soon crowded with knockoffs

Clipped!

A COUPLE OF YEARS AGO, LINDA FROEHLICH STEPPED INTO A HOTEL elevator in Rome with a handsome stranger. She knew she had seen the man, whom she describes as "kind of cute," somewhere before, but she couldn't quite place him. When they reached the lobby, and the door opened to reveal a crush of press, Froehlich suddenly realized she had been standing shoulder to shoulder with none other than John F. Kennedy Jr.

Not about to let a paparazzi pileup distract her, Froehlich immediately introduced herself to Kennedy: "Hi, I'm Linda Froehlich, and I'm the inventor of the SuperClip." She assured him that she'd be sending some samples to his room later that day.

It was the clearest signal to date—even beyond his designation as *People* magazine's "Sexiest Man Alive"—that JFK Jr. was part of a privileged crowd. After all, Froehlich has sent SuperClips to Barbara Walters, Rush Limbaugh, and Andy Rooney. She's handed them out to Bob and Elizabeth Dole—twice—and she told then-congresswoman Susan Molinari, who was visiting her plant, "You've got a lot of energy—you should come to work for me and help sell SuperClips." (Molinari ultimately opted for a lower-profile spot co-hosting *CBS Saturday Morning*.) Froehlich has also targeted the paper-shuffler-in-chief as a potential recipient. "I'm thinking of

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sending a truckload to the White House. Think of it—40,000 pounds of SuperClips," says Froehlich. "That would make a statement."

Of course, plenty of people have encountered Froehlich's invention without having to endure her spiel. Four inches long, the SuperClip is little more than a very large paper clip. Still, it neatly holds 100 sheets of paper. Made from a sturdy, high-carbon steel, it's easier to use and less bulky than so-called bulldog or butterfly clips.

Froehlich's simple creation—for which she and her husband, Richard, were awarded a patent in July 1994—is now carried by all the office-supply biggies: Office Depot Inc. (582 stores, $6.1 billion in sales), Staples Inc. (600 stores, $4 billion), and OfficeMax (640 stores, $3.2 billion). Dominant discount retailers such as Wal-Mart Stores Inc., Kmart Corp., and Target Stores stock it, too.

But a closer look reveals that, in fact, what most of them are selling are not SuperClips but knockoffs so similar that they would seem to infringe upon U.S. patent number 5329672, owned by the Froehlichs. Go to those stores and you can buy all the Mega Clips, Big Clips, Jumbo Clips, and Really Big Clips you want, but you'd be hard-pressed to get your hands on one genuine SuperClip.

'I felt everyone would love this product,' says Froehlich (pictured with her husband, Richard). 'I was naïve.'

For Linda Froehlich, the SuperClip saga has amounted to little more than the nightmare of so many dollars running through her fingers like so much sand in the form of potential sales that never materialized. At one point, she seemed poised to crack the mainstream market, after an early sale to Office Depot. But she soon learned a bitter truth: the office-supply industry is dominated by a handful of very large companies, which are best equipped to do business with one another. They have found it easy to design around her patent, and they have not hesitated to do so. And that has shattered Froehlich's belief that ingenuity, virtue, and effort would see her through.

"I felt everyone would love this product as I have," she laments. "I was naïve. I believed this product was so good I wouldn't have a problem."

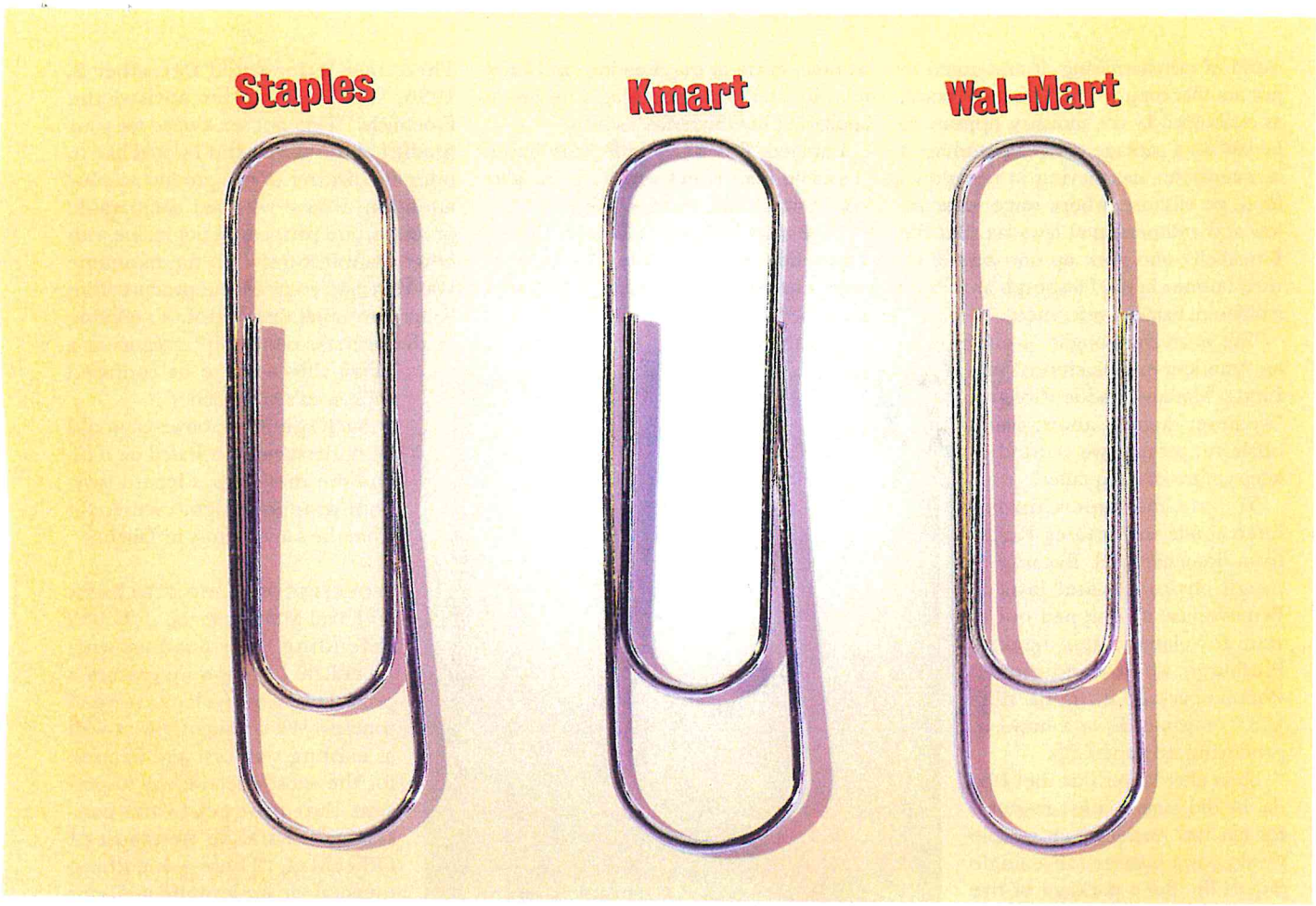
GOOD AS SHE THINKS IT IS, THE SuperClip is hardly a quantum leap over "the prior art," to borrow from patent argot. By routinely referring to it as "the next Post-It," Froehlich seems to be acknowledging that her creation borrows from the undeniably apparent but may yield the sort of windfall that every inventor dreams about. "This is the best product since 3M's Post-It note," she declares. "It's a product that should have always been. It's the obvious staring us in the face."

Too obvious perhaps. The Froehlichs' SuperClip patent makes two claims of uniqueness: First, that the clip is made from a high-carbon steel that springs back to its original shape; second, that the clip's "arms" are extended the length of the clip, so they won't tear the paper when removed. (See "What Makes the SuperClip So Super?" page 102.) In truth, most consumers probably don't care about such features; to them, all paper clips are created alike, no matter what their dimension.

In contrast to the speculative fling embodied in the SuperClip, the Froehlichs run a solid and time-tested family business with the homey sounding name of Ace Wire Spring & Form Co., in McKees Rocks, Pa., a gritty industrial suburb of Pittsburgh. For nearly 60 years Ace has served as a custom manufacturer of wire forms such as bucket handles and paper racks, and of springs that go into everything from screen doors to M-1 tanks. It employs 50 people and rings up annual sales of more than $5 million.

Froehlich's father started the company in 1939, selling it to her and Richard when he retired, 21 years ago. Aside from the SuperClip—which Froehlich began noodling with 15 years ago, after a customer requested an oversize paper clip mounted on a wooden base as a paper holder—Ace has nothing to do with the office-supply business. It operates in markets where its ability to add value by manufacturing high-quality custom parts in relatively low volume has earned it loyal customers.

Ace's core markets are—as Froehlich



ing a rearguard action. The physical evidence adds up to a dozen years of toil: grimy bags filled with odd pieces of wire; musty files; and a scrapbook as thick as the Gutenberg Bible, featuring every bit of press the SuperClip has fetched. There are packages of the product in previous incarnations, namely the Execu Clip, the Giant Clip, and the Clipster.

One of the Froehlichs' early allies was Steven Meyer, who met Linda in 1987 and helped her with a promotion in which the SuperClip was folded into every copy of a local business journal. A distributor of office products and the founder of a network of 100 office-supply dealers in the United States, Canada, and the United Kingdom, Meyer calls the SuperClip "a really functional product. People really wanted it." He adds that Froehlich "was not naïve, but what she didn't realize was that she was playing in the big leagues. I apprised her of the strength of the manufacturers and what it would mean to be dealing with the likes of Wal-Mart and Office Depot. I talked to her extensively about the possibility of someone knocking off the product."

Froehlich understood the risks but believed that with the patent to protect her, "the road ahead would be smooth." Because she was aiming for "a big hit" in the mass market, she chose not to pursue a joint-marketing venture with Meyer that would explore possible niches for the SuperClip. Rather, she approached Acco USA, a $1-billion office-products manufacturer and distributor, inquiring if it wanted to acquire patent rights to the SuperClip. Acco is a Chicago-area-based subsidiary of Fortune Brands, formerly American Brands, the $4.6-billion producer of such diverse products as Titleist golf balls, Jim Beam bourbon, and Moen faucets.

"Acco told me it was a novelty," says Froehlich. "They weren't interested." Challis Yeager, an Acco spokesperson, says that the company "has no record that we were contacted" by Froehlich.

But after banging on Office Depot's door, Froehlich made her first sale to the chain. Office Depot's buyer, Carol Martin, recalls the SuperClip as "a good product that definitely had a use." Looking for a leg up on the competition, she decided to order the product.

When Froehlich broke through with Office Depot, Meyer says, "she cracked a major player. That was incredible." Now Acco had to take notice. But it was not in the manner Froehlich expected. Using its contacts in Taiwan, Acco produced a SuperClip knockoff called the MegaClip, which, given Acco's marketing clout, it has had no problem selling to Staples, Office Depot, and OfficeMax. It showed up on shelves in the summer of 1996. Notes Meyer: "Acco blew her off, and then they knocked her off. A product is always a 'novelty' until someone else starts manufacturing and selling it."

Yeager says Acco was simply responding to its customers' needs. "We were approached by our customers to come out with a similar product." She adds, "Of course, we put our spin on it through better manufacturing processes and better packaging. The product also has to meet a certain price point."

NO MATTER HOW UNIQUE AND PROPRIetary Linda Froehlich may have perceived the SuperClip to be, in the cold-blooded

an edict that comes down from the top of these corporations: Cut the number of vendors," he says. "I've run into a number of companies with great products. Unfortunately, many retailers don't want to do business with one-product companies anymore." That results, he adds, in innovative and high-quality products' sometimes being shut out of the market. Says Peterson of the SuperClip, "This is the best-quality product, and they're not even getting the chance to bring it to market, because they've been aced out by other people who have used their leverage and clout to kill it."

A decade ago there were some 15,000 local stationers in the United States. That population has been reduced by 75% as giant consolidators like Staples have remade the industry. Today manufacturers pay huge amounts, sometimes as much as $60,000, for a whole page in the catalog of a wholesaler. For that kind of money, they're buying access to the top retailers. In addition, the manufacturer pays a "rebate" to the retailers if they do a certain level of business in the manufacturer's goods. The greater the volume, the bigger the rebate. The office-supply industry has become a volume-driven business that encourages the large retailers and distributors to carry those vendors with the deepest product lines.

Such arrangements are in industry lingo "soft costs," but for small suppliers like Ace, they amount to a hard reality. What Linda Froehlich heard over and over again as she shopped the SuperClip around was: "It's a great product. What else do you have?"

The answer: not much. The Froehlichs do not have an army of product developers dreaming up new ideas and extending their line. They have two stock-keeping units (SKUs), the SuperClip in gold and silver. Acco, the corporation that dismissed the SuperClip as a novelty, has more than 5,000 SKUs.

"THERE'S NO DOUBT IN MY MIND THIS product could be on the shelves and making millions. That possibility has just been eliminated from my life," says Froehlich. "Maybe it's a compliment to have so many imitate the product."

Despite her regrets, Froehlich's reflective moments appear to be strength-gathering interludes in an ongoing struggle. In the latest chapter she and Richard have conceded that they will go offshore, to Taiwan, to have the SuperClip made. "We'll meet the competition's price, and our quality will be better," she vows.

There's no doubt this product could be making millions. That possibility has been eliminated.'

Still, there's a hollow feeling about that decision. She and Richard always prided themselves on being American manufacturers; then there's the gnawing unease that they may be in Taiwan today, but tomorrow will they be chasing lower labor costs to India or Pakistan? Their "manufacturer" is, in fact, set up in a 2,000-square-foot space in what amounts to the ground floor of his apartment building. "It's not a factory as you or I would know it," says Linda glumly.

Similarly, the Froehlichs will extend their product line by introducing the SuperClip in various colors to appeal to the school and office markets and hope to offer a midsize paper clip that will double as a money clip. But the word on the street is that Acco is also about to introduce colored versions.

Still, Froehlich remains resolutely optimistic as she recounts various other initiatives. Ace has landed contracts with the federal government, the Arthritis Foundation really likes the SuperClip because it's so much easier to use, and Froehlich has even been trying to induce a national fast-food chain to give away SuperClips as a back-to-school promotion. "There are a lot of outlets we have yet to try," she says brightly.

And yet those efforts remain forever shadowed by what might have been. "We've put a lot of hard work into this, and at some point you want to reap the benefits," she says. "There's no question; ours is the best. We've got too much of our life invested in it to quit."

Asked when that day might come, she immediately rebuffs the question. "I've worked too hard, and I'm not about to let go," says Froehlich. "In 20 years this product will be everywhere." That may be true. Less certain, though, is how much of it will be hers. ■

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